



Superintendent's 2021-22 Budget Message

May 3, 2021

Dear BSD Community,

The 2020-21 school year has been challenging for our staff, students, parents and community. We have welcomed back students for In-Person Hybrid Instruction while continuing to offer Comprehensive Distance Learning (CDL) to those students who wish to learn from home. Our highest priority is the health and safety of our staff and students. We also are keenly aware of both the academic needs of our students as well as the need to address their social and emotional wellness. While the ways in which we connect with students have changed, our commitment to serve students and families remains unwavering.

As we look to the next school year, it is our intention to be fully back in our school buildings — all grades, all day, five days per week — assuming that COVID-19 case counts and current guidance from the Oregon Department of Education and Oregon Health Authority allow us to do so. For those students who want to continue distance learning, they will find a home in our FLEX Online School, a permanent online program in our district. As we move forward in a post-pandemic world, we take with us many lessons. We have learned to be more flexible and responsive. We are innovating the way in which we educate children and do business. And most importantly, we have prioritized equity in every instructional and operational decision that we make on our journey to becoming an anti-bias antiracist school district.

Current Climate

As of today, the Oregon Legislature is planning on a State School Fund appropriation of \$9.1 billion for the 2021-23 biennium. It is important to note that this funding level is inadequate to meet the needs of our students and to maintain our current level of service. As a result, it may require budget cuts later in the biennium. We have and will continue to advocate for adequate funding at \$9.6 billion from the state. In the meantime, we have built our budget on an assumption of \$9.3 billion for the biennium.

The District also will receive significant one-time funds at the federal and state level. The 2021-22 proposed budget anticipates one-time federal funds of approximately \$67.1 million that must be spent over the next two years and additional one-time state funds of over \$13 million for programs this coming summer. These funds will be distributed via an equity lens with the intention of serving those students who have been most deeply impacted by the pandemic and the shift to online learning. We will be targeting programs and interventions to address any unfinished learning and gaps, as well as an increased focus on mental health. In addition, funds will be spent on continuing COVID-related health and safety needs like personal protective equipment and capital projects to improve HVAC systems in select schools. Again, it is important to emphasize that these funds are one-time distributions and will require additional yet temporary staff to support students.

This budget message is designed to summarize important features, financial policies and planned modifications in the 2021-22 proposed budget. The total budget of \$1,023,754,966 and General Fund Budget of \$580,557,172 is the result of aligning resources to priorities in the District's Strategic Plan previously set by the School Board, staff, students and community and extensive community outreach as a part of implementing the new Student Investment Account (SIA). This budget proposal includes ongoing allocations for strategic investments, progress updates on strategic plan metrics, new funding from the SIA



and significant one-time funds from the federal and state government. It also identifies investments to be monitored for improvement in the coming years.

Planning the 2021-22 Budget

We built the proposed budget with the District's Strategic Plan providing clear direction and focus. The budget is based on \$9.3 billion in funding from the State School Fund for the 2021-23 biennium. It also includes an additional \$26.8 million allocation from the SIA which is a significant increase from the 2020-21 school year. The SIA is a part of the Student Success Act (SSA) that passed during the 2019 Legislative Session. Funding for the SSA comes from the state's Corporate Activity Tax.

Notable Financial Assumptions

- Assumes 2021-22 State School Fund amount of \$438.4
- Assumes Student Investment Account amount of \$26.8 million
- Assumes Career & Technical Education funding from the High School Success Act (HSS, Ballot Measure 98) of approximately \$10.7 million
- Estimates Elementary and Secondary School Emergency Relief Fund (ESSER) II and (ESSER) III Funds of \$67.1 million
- Includes a cost of living increase of 2% across all employee groups
- Includes an increase in the district-paid portion of health insurance of 3.5%
- Provides 278.6 teachers through the Local Option Levy of \$36.4 million
- Projects September enrollment of 40,593, an increase of 882 from September 30, 2020, but well below pre-pandemic enrollment projections
- Reduced 43.2 positions compared to the 2020-21 budget
- Provides for continued investment in Early Childhood Education by adding two schools in 2021-22 for a total of nine schools

Multi-year Budget Development Process for 2021-22 Budget

Phase 1: The School Board approved the budget calendar in June 2020, establishing a process for the 2021-22 budget. The Board also established a process to appoint vacant Budget Committee positions at the School Board meeting in August 2020. The open positions were advertised across the District.

Phase 2: From October to December 2020, the District developed plans for use of Coronavirus Aid, Relief and Economic Security Act (CARES) funding from the federal government passed down through the State of Oregon and Washington County. Most of those funds were used to support portions of the SIA that were not funded, technology equipment and connectivity, safety planning and personal protective equipment for staff and schools. Use of federal funds and closure of most facilities enabled the District to build financial reserves heading into the 2021-22 budget year.

Phase 3: From January through March 2021, the District solicited feedback from staff and community members by creating a Budget Listening and Learning video and a feedback survey that was widely promoted to staff, parents, students and community members. The District received just under 2,000 survey responses. That feedback along with input from district leadership informed some modifications to the General Fund. In addition, the District also solicited and received feedback from stakeholders regarding the SIA, specifically around priorities, given the reduced amount of funding. The Staffing Allocation Methodology (SAM) committee also met to make modest adjustments to the model. The Superintendent's Cabinet reviewed and approved budget changes. Additionally, District leadership has begun meeting to discuss additional incoming federal stimulus funds. Those funds are appropriated in the 2021-22 budget; however, specific plans are still under review. All additions, reductions and modifications were or will be made based on alignment to the District's Strategic Plan, feedback from the Budget Listening and Learning survey and through our equity lens.



Phase 4: Beginning in April through May 2021, the final phase includes the delivery of the Superintendent's Budget Message and the 2021-22 proposed budget to the Budget Committee. The Budget Committee will review the proposed budget, receive community testimony and accept requests for additional information. The Budget Committee ensures that the budget is balanced and aligns with the District's Strategic Plan. Additional plans for use of federal (ESSER) and state funds will be provided as additional information becomes available. Finally, the Budget Committee will approve the budget and tax levies and send the approved budget to the School Board for adoption in June.

Student Success Act

A significant portion of the SSA is the SIA. The SIA is a new source of funding to address student's mental and behavioral health needs in addition to academic achievement, specifically among students of color, students experiencing disabilities, emerging bilinguals, students in poverty, students experiencing homelessness/living in foster care and other historically underserved students. The SIA also allows us to maintain and, in some cases, enhance existing programs in the areas of expanding instructional time, address student health and safety, reduce or maintain class size and caseloads, and provide a well-rounded education.

The SIA plan is based on significant community engagement and can be found on the District's website. The SIA plan generally targets class size based on poverty and lowers class sizes at grades K-2; class sizes will be larger in schools with low poverty and smaller in schools experiencing high poverty. Overall, class sizes will be about the same as budgeted for the current year.

Additionally, the SIA plan allows the district to maintain and expand supports for students' mental and behavioral health needs.

Staffing Allocation Methodology (SAM)

A new SAM was created by an interdisciplinary team from Teaching & Learning, Human Resources, Business Services and Information & Technology during the planning phase of the 2020-21 budget. The catalyst for the change was the SIA. It was approved by the Superintendent's Cabinet with modification due to cost considerations. The most significant outcome of the new model is a commitment to a more equitable and responsive allocation of resources to schools based on the number of students living in poverty. It is difficult to assess the effectiveness of the new methodology since we have spent most of the current school year in CDL. Time will be set aside in the fall of 2021 to review the new SAM implementation. It is important to note, while we do not have the resources to fully fund the new SAM as it was created, it will provide a roadmap for future investments.

Additional Federal Funds

Significant additional one-time federal funding is anticipated in the 2021-22 budget year: ESSER II at \$20.7 million and ESSER III at \$46.4 million. District leadership will use survey feedback in addition to information about services not funded in the SIA, the original SAM proposal, health and safety requirements and priorities in the District's Strategic Plan to determine the use of additional federal funds to meet student needs as we emerge from the pandemic. It is critically important to note that these funds are one-time and must be spent by September 2023. Funding for staffing to meet additional student needs will only be available for the next two years. After these funds are spent, the district will revert to significant reliance on the State School Fund, Local Option Levy, SIA and HSS for funding.

Conclusion

In closing, I want to thank the School Board, administrators, staff and community for their dedication and hard work in preparing the proposed 2021-22 budget. Many thanks to the Budget Committee for its thoughts and attention in reviewing the proposed budget and providing feedback as we navigate these uncertain times. This work, much like the new SAM and



new SIA, provides a framework for future investments as well as guidance on spending priorities for the one-time ESSER II and ESSER III federal funds. We will use the priorities outlined in the District's Strategic Plan, new SAM, community input around the SIA, and the District's equity lens to direct our decision-making.

We will continue to move forward and meet the challenges of educating our children in these unprecedented times. We will continue to advocate at the state level for not only our students but all Oregon students. We will continue to look for ways to innovate and improve. And we will continue to partner with our community to ensure that ALL students succeed.

Thank you for your consideration of the 2021-22 proposed budget.

Respectfully submitted,

A handwritten signature in black ink that reads 'Don Grotting'. The signature is written in a cursive style with a large, looping 'G' at the end.

Don Grotting
Superintendent